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- Maryland's hemp industry represents over \$15.5M in estimated capital investment for the 62 licensed growers and an additional \$2.5M in estimated capital invested for the 60 CBD/Hemp specialty shops, a third of which are Black-owned.
- Maryland's hemp market yields an estimated **\$370M** in product sales.
- The hemp industry serves a distinct market and customer-base, including federal employees and those who do not want to use an extremely potent recreational cannabis product.
- Hemp products provide the relief for a variety of ailments without the potent and long-lasting intoxicating effect of recreational cannabis.
- The hemp industry would continue to thrive even after the opening of the adult-use recreational cannabis market.
- As written, HB556 - Cannabis Reform would inadvertently put an end to the hemp industry in Maryland.
- Attached are suggested amendments to **HB556 - Cannabis Reform** to ensure the hemp industry is not wiped out come July 1, 2023.
- Also attached is draft bill language outlining the regulatory framework for the hemp industry that could be housed under the newly established Alcohol, Tobacco, and Cannabis Commission.



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Proposed Amendments to HB556

Page 18, line 19: (C) (1) **A DELTA-9 TETRAHYDROCANNABINOL CONCENTRATION GREATER THAN [0.3%] 1% ON A DRY WEIGHT BASIS.**

The USDA Final Rule establishes that the THC threshold for a negligent violation is 1.0 percent per the USDA's FR. Currently, federal law states that "hemp" with a delta-9- THC concentration greater than 0.3% and less than 1% is considered "non compliant" and can be remediated. As stated in the Final Rule "Remediation" refers to techniques utilized to transform non-compliant cannabis into something useful and compliant.

Page 69, lines 24: (A) (1) **[0.5 MILLIGRAMS OF TETRAHYDROCANNABINOL PER SERVING OR 2.5 MILLIGRAMS OF TETRAHYDROCANNABINOL]-1% DELTA-9- TETRAHYDROCANNABINOL ON A DRY WEIGHT BASIS UNLES THE PERSON IS LICENSED**

This would effectively kill the entire CBD hemp industry. The following language criminalizes federally legal hemp CBD products. Products that comply with the 0.3% delta9 THC limits are criminalized by this clause. See attached letter addressing THC dosing.

Page 70, Line 8, STIRKE: **~~(B) A PERSON MAY NOT SELL OR DISTRIBUTE A CANNABINOID PRODUCT THAT IS NOT DERIVED FROM NATURALLY OCCURRING BIOLOGICALLY ACTIVE CHEMICAL CONSTITUENTS.~~**

NOTE: We have a model for a regulatory structure for these products that incorporates the Maryland Medical Cannabis Commission's recommendations, *HB1204*.

*It is well established in both the hemp industry as well as the medical/adult-use cannabis industry that not all cannabinoids in the plant *Cannabis sativa L.* can be isolated or tested for, using current technology and testing standards, to determine if said cannabinoids are "naturally occurring" or not. There are over 160 known naturally occurring cannabinoids, but independent testing laboratories can only test for up to 21 cannabinoids. That means **only 13% of the known naturally occurring cannabinoids can be tested using current technology and testing standards.** It is unclear what the purpose or enforcement of this clause would be because a cannabinoid product could be derived from naturally occurring chemical constituents but, because the labs only test for up to 21 cannabinoids, that same product would be deemed illegal due to this clause.*



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